

MENTION

Nom de la Société : **FIAT FINANCE AND TRADE LTD**

Siège social : 24, boulevard Royal, L-2449 Luxembourg

N° du Registre de Commerce : B - 59500

Les comptes annuels au 31 décembre 2012 ont été déposés au Registre de Commerce et des Sociétés.

Pour mention aux fins de publication au Mémorial, Recueil des Sociétés et Associations.

Pour FIAT FINANCE AND TRADE LTD

Leonardo Cecchetti
Président du Conseil d'Administration

BALANCE SHEET**Financial year from** ⁰¹ 01/01/2012 **to** ⁰² 31/12/2012 (in ⁰³ EUR)

FIAT FINANCE AND TRADE LTD

24, boulevard Royal
L-2449 Luxembourg**ASSETS****Financial year****Previous financial year****A. Subscribed capital unpaid**

- I. Subscribed capital not called
- II. Subscribed capital called but not paid

B. Formation expenses**C. Fixed assets**

- I. Intangible assets
 - 1. Costs of research and development
 - 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were
 - a) acquired for valuable consideration and need not be shown under C.I.3
 - b) created by the undertaking itself
 - 3. Goodwill, to the extent that it was acquired for valuable consideration
 - 4. Payments on account and intangible fixed assets under development
- II. Tangible assets
 - 1. Land and buildings
 - 2. Plant and machinery
 - 3. Other fixtures and fittings, tools and equipment
 - 4. Payments on account and tangible assets in course of construction
- III. Financial assets
 - 1. Shares in affiliated undertakings
 - 2. Loans to affiliated undertakings
 - 3. Shares in undertakings with which the company is linked by virtue of participating interests
 - 4. Loans to undertakings with which the company is linked by virtue of participating interests
 - 5. Investments held as fixed assets
 - 6. Loans and claims held as fixed assets
 - 7. Own shares or own corporate units

| | | | |
|-----|----------------|-----|----------------|
| 101 | | 102 | |
| 103 | | 104 | |
| 105 | | 106 | |
| 107 | | 108 | |
| 109 | 165.728.145,00 | 110 | 165.433.219,00 |
| 111 | 321.783,00 | 112 | 21.132,00 |
| 113 | | 114 | |
| 115 | 321.783,00 | 116 | 21.132,00 |
| 117 | 321.783,00 | 118 | 21.132,00 |
| 119 | | 120 | |
| 121 | | 122 | |
| 123 | | 124 | |
| 125 | 161.953,00 | 126 | 167.678,00 |
| 127 | | 128 | |
| 129 | | 130 | |
| 131 | 161.953,00 | 132 | 167.678,00 |
| 133 | | 134 | |
| 135 | 165.244.409,00 | 136 | 165.244.409,00 |
| 137 | | 138 | |
| 139 | | 140 | |
| 141 | 165.244.409,00 | 142 | 165.244.409,00 |
| 143 | | 144 | |
| 145 | | 146 | |
| 147 | | 148 | |
| 149 | | 150 | |

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| | Financial year | Previous financial year |
|--|------------------------------|------------------------------|
| D. Current assets | | |
| I. Stocks | 151 <u>10.804.161.094,00</u> | 152 <u>10.422.202.435,00</u> |
| 1. Raw materials and consumables | 153 _____ | 154 _____ |
| 2. Work and contracts in progress | 155 _____ | 156 _____ |
| 3. Finished goods and goods for resale | 157 _____ | 158 _____ |
| 4. Payments on account | 159 _____ | 160 _____ |
| II. Debtors | 161 _____ | 162 _____ |
| 1. Trade debtors | 163 <u>7.950.916.061,00</u> | 164 <u>7.391.916.331,00</u> |
| a) becoming due and payable after less than one year | 165 _____ | 166 _____ |
| b) becoming due and payable after more than one year | 167 _____ | 168 _____ |
| 2. Amounts owed by affiliated undertakings | 169 _____ | 170 _____ |
| a) becoming due and payable after less than one year | 171 <u>596.023.174,00</u> | 172 <u>567.323.828,00</u> |
| b) becoming due and payable after more than one year | 173 <u>596.023.174,00</u> | 174 <u>567.323.828,00</u> |
| 3. Amounts owed by undertakings with which the company is linked by virtue of participating interests | 175 _____ | 176 _____ |
| a) becoming due and payable after less than one year | 177 <u>7.354.068.800,00</u> | 178 <u>6.823.665.696,00</u> |
| b) becoming due and payable after more than one year | 179 <u>7.354.068.800,00</u> | 180 <u>6.823.665.696,00</u> |
| 4. Other debtors | 181 _____ | 182 _____ |
| a) becoming due and payable after less than one year | 183 <u>824.087,00</u> | 184 <u>926.807,00</u> |
| b) becoming due and payable after more than one year | 185 <u>824.087,00</u> | 186 <u>926.807,00</u> |
| III. Investments | 187 _____ | 188 _____ |
| 1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests | 189 <u>539.695.820,00</u> | 190 <u>609.901.991,00</u> |
| 2. Own shares or own corporate units | 191 _____ | 192 _____ |
| 3. Other investments | 193 _____ | 194 _____ |
| IV. Cash at bank and in hand | 195 <u>539.695.820,00</u> | 196 <u>609.901.991,00</u> |
| | 197 <u>2.313.549.213,00</u> | 198 <u>2.420.384.113,00</u> |
| E. Prepayments | 199 <u>109.965.859,00</u> | 200 <u>168.164.181,00</u> |
| TOTAL (ASSETS) | 201 <u>11.079.855.098,00</u> | 202 <u>10.755.799.835,00</u> |

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LIABILITIES

| | Financial year | Previous financial year |
|--|------------------------------|------------------------------|
| A. Capital and reserves | | |
| I. Subscribed capital | 301 <u>288.693.442,00</u> | 302 <u>287.476.935,00</u> |
| II. Share premium and similar premiums | 303 <u>251.494.000,00</u> | 304 <u>251.494.000,00</u> |
| III. Revaluation reserves | 305 _____ | 306 _____ |
| IV. Reserves | 307 _____ | 308 _____ |
| 1. Legal reserve | 309 <u>13.634.500,00</u> | 310 <u>13.479.450,00</u> |
| 2. Reserve for own shares | 311 <u>13.319.000,00</u> | 312 <u>13.226.000,00</u> |
| 3. Reserves provided for by the articles of association | 313 _____ | 314 _____ |
| 4. Other reserves | 315 _____ | 316 _____ |
| V. Profit or loss brought forward | 317 <u>315.500,00</u> | 318 <u>253.450,00</u> |
| VI. Result for the financial year | 319 <u>22.348.435,00</u> | 320 <u>20.651.989,00</u> |
| VII. Interim dividends | 321 <u>1.216.507,00</u> | 322 <u>1.851.496,00</u> |
| VIII. Investment subsidies | 323 _____ | 324 _____ |
| IX. Immunised appreciation | 325 _____ | 326 _____ |
| | 327 _____ | 328 _____ |
| B. Subordinated creditors | 329 _____ | 330 _____ |
| C. Provisions | | |
| 1. Provisions for pensions and similar obligations | 331 <u>543.178,00</u> | 332 <u>773.816,00</u> |
| 2. Provisions for taxation | 333 _____ | 334 _____ |
| 3. Other provisions | 335 <u>543.178,00</u> | 336 <u>773.816,00</u> |
| | 337 _____ | 338 _____ |
| D. Non subordinated debts | | |
| 1. Debenture loans | 339 <u>10.761.846.947,00</u> | 340 <u>10.447.823.582,00</u> |
| a) Convertible loans | 341 <u>9.116.344.930,00</u> | 342 <u>8.033.399.354,00</u> |
| i) becoming due and payable after less than one year | 343 _____ | 344 _____ |
| ii) becoming due and payable after more than one year | 345 _____ | 346 _____ |
| b) Non convertible loans | 347 _____ | 348 _____ |
| i) becoming due and payable after less than one year | 349 <u>9.116.344.930,00</u> | 350 <u>8.033.399.354,00</u> |
| ii) becoming due and payable after more than one year | 351 <u>1.325.945.328,00</u> | 352 <u>1.776.399.354,00</u> |
| | 353 <u>7.790.399.602,00</u> | 354 <u>6.257.000.000,00</u> |
| 2. Amounts owed to credit institutions | 355 <u>115.012.894,00</u> | 356 <u>135.668.912,00</u> |
| a) becoming due and payable after less than one year | 357 <u>75.012.894,00</u> | 358 <u>135.668.912,00</u> |
| b) becoming due and payable after more than one year | 359 <u>40.000.000,00</u> | 360 _____ |
| 3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks | 361 _____ | 362 _____ |
| a) becoming due and payable after less than one year | 363 _____ | 364 _____ |
| b) becoming due and payable after more than one year | 365 _____ | 366 _____ |
| 4. Trade creditors | 367 _____ | 368 _____ |
| a) becoming due and payable after less than one year | 369 _____ | 370 _____ |
| b) becoming due and payable after more than one year | 371 _____ | 372 _____ |

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| | Financial year | Previous financial year |
|---|------------------------------|------------------------------|
| 5. Bills of exchange payable | 373 _____ | 374 _____ |
| a) becoming due and payable after less than one year | 375 _____ | 376 _____ |
| b) becoming due and payable after more than one year | 377 _____ | 378 _____ |
| 6. Amounts owed to affiliated undertakings | 379 <u>1.530.146.299,00</u> | 380 <u>2.278.300.442,00</u> |
| a) becoming due and payable after less than one year | 381 <u>1.530.146.299,00</u> | 382 <u>2.278.300.442,00</u> |
| b) becoming due and payable after more than one year | 383 _____ | 384 _____ |
| 7. Amounts owed to undertakings with which the company is linked by virtue of participating interests | 385 _____ | 386 _____ |
| a) becoming due and payable after less than one year | 387 _____ | 388 _____ |
| b) becoming due and payable after more than one year | 389 _____ | 390 _____ |
| 8. Tax and social security | 391 _____ | 392 _____ |
| a) Tax | 393 _____ | 394 _____ |
| b) Social security | 395 _____ | 396 _____ |
| 9. Other creditors | 397 <u>342.824,00</u> | 398 <u>454.874,00</u> |
| a) becoming due and payable after less than one year | 399 <u>342.824,00</u> | 400 <u>454.874,00</u> |
| b) becoming due and payable after more than one year | 401 _____ | 402 _____ |
| E. Deferred income | 403 <u>28.771.531,00</u> | 404 <u>19.725.502,00</u> |
| TOTAL (LIABILITIES) | 405 <u>11.079.855.098,00</u> | 406 <u>10.755.799.835,00</u> |

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Matricule : 1997 2209 611

PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2012 **to** ⁰² 31/12/2012 (in ⁰³ EUR)

FIAT FINANCE AND TRADE LTD

24, boulevard Royal
L-2449 Luxembourg**A. CHARGES**

| | Financial year | Previous financial year |
|---|---------------------------|---------------------------|
| 1. Raw materials and consumables | 601 _____ | 602 _____ |
| 2. Other external charges | 603 _____ | 604 _____ |
| 3. Staff costs | 605 <u>1.110.408,00</u> | 606 <u>1.443.391,00</u> |
| a) Wages and salaries | 607 <u>987.080,00</u> | 608 <u>1.307.175,00</u> |
| b) Social security costs | 609 <u>123.328,00</u> | 610 <u>136.216,00</u> |
| c) Social security costs relating to pensions | 611 _____ | 612 _____ |
| d) Other social security costs | 613 _____ | 614 _____ |
| 4. Value adjustments | 615 <u>108.117,00</u> | 616 <u>111.269,00</u> |
| a) on formation expenses and on tangible and intangible fixed assets | 617 <u>108.117,00</u> | 618 <u>111.269,00</u> |
| b) on elements of current assets | 619 _____ | 620 _____ |
| 5. Other operating charges | 621 <u>1.708.584,00</u> | 622 <u>2.075.187,00</u> |
| 6. Value adjustments and fair value adjustments on financial fixed assets | 623 _____ | 624 _____ |
| 7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities | 625 _____ | 626 _____ |
| 8. Interest payable and similar charges | 627 <u>689.258.167,00</u> | 628 <u>721.267.650,00</u> |
| a) concerning affiliated undertakings | 629 <u>38.041.229,00</u> | 630 <u>89.818.646,00</u> |
| b) other interest payable and similar charges | 631 <u>651.216.938,00</u> | 632 <u>631.449.004,00</u> |
| 9. Extraordinary charges | 633 _____ | 634 _____ |
| 10. Tax on profit or loss | 635 <u>490.658,00</u> | 636 <u>757.841,00</u> |
| 11. Other taxes not included in the previous caption | 637 _____ | 638 _____ |
| 12. Profit for the financial year | 639 <u>1.216.507,00</u> | 640 <u>1.851.496,00</u> |
| TOTAL CHARGES | 641 <u>693.892.441,00</u> | 642 <u>727.506.834,00</u> |

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B. INCOME

| | Financial year | Previous financial year |
|---|---------------------------|---------------------------|
| 1. Net turnover | 701 _____ | 702 _____ |
| 2. Change in inventories of finished goods and of work and contracts in progress | 703 _____ | 704 _____ |
| 3. Fixed assets under development | 705 _____ | 706 _____ |
| 4. Reversal of value adjustments | 707 _____ | 708 _____ |
| a) on formation expenses and on tangible and intangible fixed assets | 709 _____ | 710 _____ |
| b) on elements of current assets | 711 _____ | 712 _____ |
| 5. Other operating income | 713 _____ | 714 _____ |
| 6. Income from financial fixed assets | 715 _____ | 716 _____ |
| a) derived from affiliated undertakings | 717 _____ | 718 _____ |
| b) other income from participating interests | 719 _____ | 720 _____ |
| 7. Income from financial current assets | 721 <u>664.707.459,00</u> | 722 <u>650.640.909,00</u> |
| a) derived from affiliated undertakings | 723 <u>648.496.850,00</u> | 724 <u>626.805.836,00</u> |
| b) other income | 725 <u>16.210.609,00</u> | 726 <u>23.835.073,00</u> |
| 8. Other interests and other financial income | 727 <u>29.184.982,00</u> | 728 <u>76.865.925,00</u> |
| a) derived from affiliated undertakings | 729 <u>589.135,00</u> | 730 <u>1.087.839,00</u> |
| b) other interest receivable and similar income | 731 <u>28.595.847,00</u> | 732 <u>75.778.086,00</u> |
| 9. Extraordinary income | 733 _____ | 734 _____ |
| 10. Loss for the financial year | 735 <u>0,00</u> | 736 <u>0,00</u> |
| TOTAL INCOME | 737 <u>693.892.441,00</u> | 738 <u>727.506.834,00</u> |

FIAT FINANCE AND TRADE LTD S.A.
(SOCIÉTÉ ANONYME)

**ANNUAL ACCOUNTS
AS AT 31 DECEMBER 2012
AND
INDEPENDENT AUDITOR'S REPORT**

**24 BOULEVARD ROYAL
L-2449 LUXEMBOURG**

R.C.S. Luxembourg: B 59500

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R.C.S. Luxembourg 8 47 771
TVA LU 16063074

Independent auditor's report

To the Shareholders of
Fiat Finance and Trade Ltd. S.A.
24 Boulevard Royal
L-2449 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated 15 March 2012, we have audited the accompanying annual accounts of Fiat Finance and Trade Ltd. S.A., which comprise the balance sheet as at 31 December 2012 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

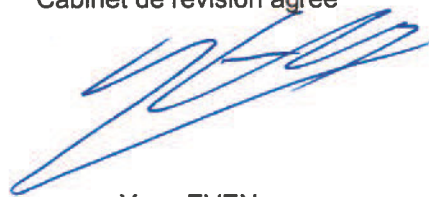
Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Fiat Finance and Trade Ltd. S.A. as of 31 December 2012, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the annual accounts and includes the information required by the law with respect to the corporate governance statement.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Yves EVEN', written over a faint, stylized background graphic.

Yves EVEN

Luxembourg, 25 February 2013

FIAT FINANCE AND TRADE LTD S.A.
Management Report
31 December 2012

Management Report

OPERATING ENVIRONMENT

GENERAL ECONOMIC ENVIRONMENT AND PERFORMANCE OF FINANCIAL MARKETS

International economy

In 2012 the global economy remained weak. The growth rate worldwide is expected at 2.2%, a slowdown compared to the previous year. Against the economic downturn of the Eurozone and the UK, growth in the US and Japan showed a modest pickup, whilst the economies of emerging countries, especially China and Brazil, displayed signs of a slowdown.

The economic trend was affected by a combination of factors. In Europe fears for the financial stability of some Countries and the stringent policies implemented to balance the Budgets affected growth significantly. In the US the risk of a failed agreement at political level that avoided a sudden and considerable tightening of the tax regime (so-called "fiscal cliff") generated uncertainty among consumers and enterprises. Weakness in the global economy led to a slowdown in China's exports that was only partly offset by a strong domestic demand and investments in infrastructures.

Overall inflation continues to fall, reflecting the weakness of the current cycle and the drop in the prices of energy commodities. In the Eurozone and the US the trend in consumer prices dropped to 2.5% and 2.2% on the previous year respectively. In Japan deflationary trends continue.

In the face of large unused capacity, risks of further economic contraction and low inflationary expectations, the central banks of developed countries resorted to unconventional expansionary measures. Also the central banks of the main emerging countries continued to gradually slacken their monetary policies by cutting interest rates.

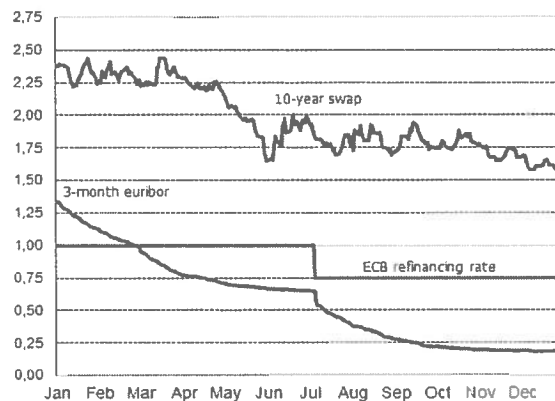
In the Eurozone, the effects of the consolidation of public budgets and the stringent tax policies implemented in 2012 were also felt by more solid economies. The expected growth rate is negative (-0.5% on the previous year). The economic cycle also suffered from prolonged tensions in the financial market which eased considerably in the second half of the year thanks to the strong ECB's commitment towards the single currency, especially following the introduction of the "Outright Monetary Transactions" programme. Also the decisions taken at European level to support Greece and the agreement on the setting up of a single banking supervisory mechanism played an important role in protecting sovereign debt, contributing to an improvement in the financial conditions of the most exposed Countries.

FIAT FINANCE AND TRADE LTD S.A.
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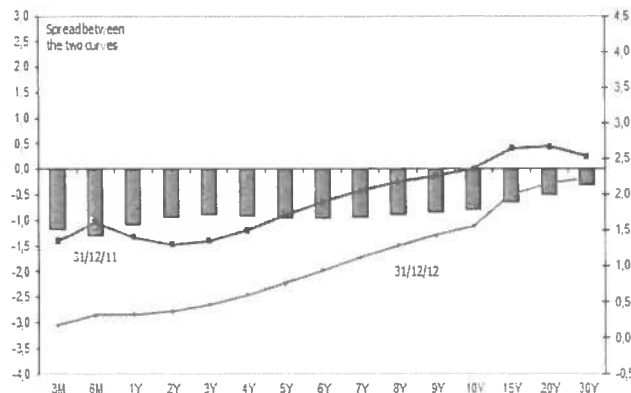
Financial Markets

In Europe the ECB responded to a worsened economic scenario by slightly easing its monetary policy. In July the Central Bank cut the refinancing rate by 25 basis points down to 0.75%. The Eonia and the 3-month Euribor rates have progressively fallen during the year reaching their all-time-low at the year-end (0.06% and 0.19%). Consequently, the Euro rate curve fell considerably compared to the previous year, the 3-month Euribor standing at 0.19% (down from 1.30%) at the year end, and the 10-year swap rate falling to 1.56% (from 2.40%).

Euro interest rates



Euro yield curve



FIAT FINANCE AND TRADE LTD S.A.
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Exchange rates

In 2012 the European single currency experienced a see-sawing trend. For the first part of the year the Euro was heavily impacted by expectations of low economic growth and fears for the sustainability of the debt of “peripheral” Eurozone countries. The European currency opened the year at 1.29 against the US dollar and hit its low of 1.21 in July; from July onwards, the single currency was strongly supported by the ECB and was able to resume the values at the start of the year, closing stronger at 1.32 (2%) at the end of December. The Euro gained considerable ground against the Japanese Yen (13%) whereas it was flat against the British Pound (-2%) and the Swiss Franc (-1%).

EUR/USD exchange rates



MAIN RISKS AND UNCERTAINTIES TO WHICH THE COMPANY AND ITS GROUP ARE EXPOSED

The Group's earnings and financial position may be influenced by various macroeconomic factors – including increases or decreases in gross domestic product, the level of consumer and business confidence, changes in interest rates on consumer and business credit, the energy prices, the cost of commodities or other raw materials and the rate of unemployment – within the various countries in which it operates.

The 2012 weak economic conditions resulted in a significant decline in demand for most of the Group's products. The current economic weakness in the Euro zone, cast serious uncertainty on the possible evolution of the economic activity in this region in the foreseeable future. In Europe, despite the measures taken by several governments, international and supranational organizations and monetary authorities to provide financial assistance to euro area member states of the European Union in economic difficulty concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations.

These potential developments could adversely affect the businesses and operations of the Group. In general, the sector in which the Group operates have historically been subject to highly cyclical demand and tend to reflect the overall performance of the economy, in certain cases even amplifying the effects of economic trends. Given the difficulty in predicting the magnitude and duration of economic cycles, there can be no assurances as to future trends in the demand for or supply of products sold by the Group in any of the markets in which it operates.

FIAT FINANCE AND TRADE LTD S.A.

Management Report

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Additionally, even in the absence of slow growth or recession, other economic circumstances – such as increases in energy prices, fluctuations in prices of raw materials or contractions in infrastructure spending – could have negative consequences for the industry in which the Group operates and, together with the other factors referred to previously, could have a material adverse effect on the Group's business prospects, earnings and/or financial position.

CORPORATE GOVERNANCE STATEMENT

Fiat Finance and Trade Ltd. S.A. acts, both directly and through its subsidiaries and branches, as the treasury and financing vehicle of the Fiat S.p.A. Group companies outside Italy, operating in accordance with general strategic guidelines issued by its ultimate parent company, Fiat S.p.A.. That activity is generally advantageous to the Company's activities.

Direction and coordination activities consist in the definition and updating of Group-wide models for the system of internal control, corporate governance and organizational structure, the dissemination of a Code of Conduct, which is adopted throughout the Group, and the establishment of general policies for the management of human and financial resources. Group coordination also includes centralized management of corporate, administrative, tax and internal audit services through specialized companies.

Consistent with the above, the Company, which retains full management and operating autonomy, adopted a Code of Conduct that sets out the principles of professional conduct adhered to by the Company and Fiat Group. The Company, together with its shareholders Fiat S.p.A. and Fiat Finance S.p.A., has also established and maintains a model of corporate governance and internal control through its organizational and reporting structure, a Compliance Program, which is continually revised to reflect legislative changes, and a system of internal procedures.

INTERNAL CONTROL SYSTEM

The various corporate departments, with the support of Fiat Group's Internal Audit, acted to ensure compliance with best management practices and the adequacy of the organizational structure and internal procedures. The Compliance Officer and the Compliance Program Supervisory Body at Group level (the institutional roles with responsibility for control) perform their activities in close collaboration with the management keeping them constantly apprised of the outcome of audits conducted and any need for improvement.

Overall, the Internal Control System operated alongside core business processes to enhance operating activities and manage the related risks, supporting management in the pursuit of its corporate objectives, in accordance with law and internal policies and procedures.

CODE OF CONDUCT

The Board of Directors formally adopted the Fiat Group's new Code of Conduct, which reinforces the principles of sustainability, making express reference to compliance with the United Nations' Universal Declaration of Human Rights, the principal Conventions of the International Labor Organization (I.L.O.), the OECD Guidelines for Multinational Enterprises, and the United States Foreign Corrupt Practices Act (FCPA). Greater attention has been dedicated to issues relating to health and safety in the workplace and protection of the environment, with an emphasis on preventive risk assessment together with definition of the specific responsibilities of employees. The main issues addressed in the Code are set out in specific guidelines. The Code can be publicly consulted on the internet web site of Fiat S.p.A..

FIAT FINANCE AND TRADE LTD S.A.

Management Report

31 December 2012

OPERATING PERFORMANCE AND ANALYSIS OF THE FINANCIAL POSITION

Fiat Finance and Trade Ltd. S.A. is the Fiat Group's most important cash-pooling and treasury vehicle in European and international financial markets.

Fiat Finance and Trade Ltd. S.A., which is registered in Luxembourg, operates through its branch office in London, where its front office activities are concentrated. An additional branch located in Spain provides financial consultancy services to Fiat companies in that country.

In 2011, in order to concentrate on one single entity the participations of the treasury companies operating in North America, the Company bought from Fiat Finance S.p.A. and Fiat S.p.A. their participations in Fiat Finance North America Inc. and from Fiat Finance S.p.A. the participation in Fiat Finance Canada Ltd..

Fiat Finance and Trade Ltd. S.A. manages cash pooling structures in Austria, Belgium, Denmark, Germany, the Netherlands, Spain, Switzerland and the United Kingdom and Slovakia. Through these structures, amounts in domestic cash pools are concentrated and then transferred to a central Fiat Finance and Trade Ltd. S.A. account (Euro Master Account) to allow for consolidated cash management at European level.

The net cash flow related to capital market transactions was positive in 2012 for approximately EUR 1.1 billion. This was mainly due to the fact that five new bonds were issued for a total amount of EUR (equivalent) 2.5 billion:

| ISIN | Type | Distribution | Currency | Issue date | Maturity | Ccy Outstanding |
|--------------|------|--------------|----------|------------|------------|-----------------|
| XS0805410239 | MTN | Syndicated | EUR | 16-Jul-12 | 17-Oct-16 | 600,000,000 |
| XS0764640149 | MTN | Syndicated | EUR | 23-Mar-12 | 23-Mar-17 | 850,000,000 |
| XS0860567121 | MTN | Syndicated | EUR | 29-Nov-12 | 17-Oct-16 | 400,000,000 |
| CH0148606178 | MTN | Syndicated | CHF | 07-Mar-12 | 07-Sept-15 | 425,000,000 |
| CH0197841544 | MTN | Syndicated | CHF | 23-Nov-12 | 23-Nov-16 | 400,000,000 |

FFT reimbursed the following Notes in 2012 for a total amount of EUR 1.45 billion:

| ISIN | Type | Distribution | Currency | Issue date | Maturity | Ccy Outstanding |
|--------------|------|--------------|----------|------------|-----------|-----------------|
| XS0442431564 | MTN | Syndicated | EUR | 28-Jul-09 | 30-Jul-12 | 1,250,000,000 |
| XS0474906699 | MTN | Private | EUR | 18-Dec-09 | 18-Dec-12 | 200,000,000 |

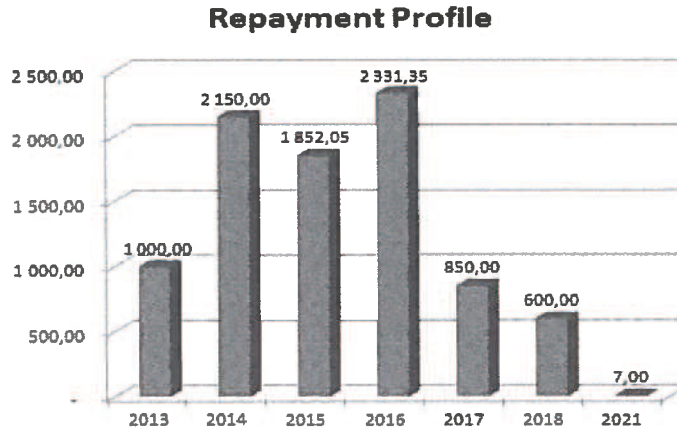
Fiat Finance North America Inc. and Fiat Finance Canada Ltd. are co-issuers under the same Programme.

At year-end, there were other securities outstanding for EUR 16.9 million (Billets de Trésorerie).

All Fiat Finance and Trade Ltd. S.A. bond issues are guaranteed by Fiat S.p.A..

FIAT FINANCE AND TRADE LTD S.A.
Management Report
31 December 2012

Schedule of bonds maturities at 31 December 2012 (in EUR million)



During the year liquidity was invested according to a conservative approach, combining ready availability of the investment with creditworthiness of counterparties. Excess cash was maintained in demand or invested in short-term deposits and high yield current accounts with major financial institutions and in the highest rated Money Market Funds.

From a financial point of view all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational. During 2011 part of the IRS covering outstanding bonds have been unwound via new off-setting IRS ("mirror swaps"). In those cases both of them have been subsequently classified as trading derivatives.

The Company closed the year with a profit of EUR 1.2 million compared with a profit of EUR 1.9 million in 2011.

For the year 2013, we do not expect any relevant changes in the companies' activities and results.

By order of the Board of Directors

Leonardo Cecchetti
 Chairman of the Board

FIAT FINANCE AND TRADE LTD S.A.

31 December 2012

Legal and Financial Information

DIRECTORS' RESPONSIBILITY STATEMENT

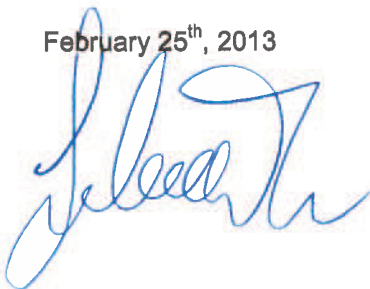
We confirm to the best of our knowledge:

1. the annual accounts of Fiat Finance and Trade Ltd. S.A. presented in this Annual Report and established in conformity with measurement and recognition criteria of the financial reporting framework in Luxembourg give a true and fair view of the assets, liabilities, financial position and profit of Fiat Finance and Trade Ltd. S.A. at 31 December 2012; and
2. the management report includes a fair review of the development and performance of the business and position of Fiat Finance and Trade Ltd. S.A. at 31 December 2012 and a description of the principal risks and uncertainties they face.

By order of the Board of Directors

Leonardo Cecchetti
Chairman of the Board

February 25th, 2013



FIAT FINANCE AND TRADE LTD S.A.**NOTES TO THE ANNUAL ACCOUNTS****FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011****(Expressed in EUR, unless otherwise stated)****FORMATION AND ACTIVITIES OF THE COMPANY**

Fiat Finance and Trade Ltd S.A. ("the Company"), was incorporated on 18 June 1997 under the laws of Luxembourg for an unlimited period of time.

The Company's registered office is at 24 Boulevard Royal, L-2449 Luxembourg and is registered in the Luxembourg trade register under the number B 59500, TVA LU20771477.

The Company shares are held for 60.003% by Fiat Finance S.p.A., and for 39.997% by Fiat S.p.A, which is also ultimate parent company of Fiat S.p.A. Group ("the Group").

In 2011 the Company acquired the entire (aggregate 100%) stakes in Fiat Finance North America Inc. previously held by the Fiat S.p.A. and by Fiat Finance S.p.A., and the entire (100%) stakes in Fiat Finance Canada Ltd. previously held by Fiat Finance S.p.A..

The Company prepares Consolidated Financial Statements in Luxembourg in accordance with International Financial Reporting Standards (IFRS).

The Company acts as the treasury and financing vehicle of the Group companies outside Italy.

It operates on the international financial markets. The Company funds Group companies and invests surplus funds in other investments and with banks. The Company's principal source of funds is obtained by the public issue of debt (bonds) and lines of credit with banks.

The presentation of segmental financial information is not considered applicable due to the centralised functions of the Company.

The Company has branches in the UK (London) and Spain (Madrid). The aim of the branches is to assist the Company in managing financial services for the Group subsidiaries.

The number of persons employed by the Company as at 31 December 2012 amounts to 14: 8 in Luxembourg, 4 in United Kingdom, 2 in Spain.

It is the intention of the Company's management to optimise the centralisation of funds. The Company administers the centralised treasury and financing functions of the Group by effectively managing risk, as explained in note 14 below.

SIGNIFICANT ACCOUNTING POLICIES**Basis of accounting**

The financial statements for the year ended 31 December 2012 have been prepared in accordance with accounting principles generally accepted and rules and regulations in force in the Grand Duchy of Luxembourg.

The 2011 financial statements have been reclassified in order to facilitate the comparison with the presentation adopted in 2012. Main changes concern reclassification of the accrued interests from accrued income and expenses to their related financial item.

Foreign currency transactions

The accounting records of the Company are maintained in Euro (EUR), which represents the main functional currency of the Company; the financial statements are denominated in this currency.

Assets and liabilities denominated in currencies other than EUR are translated into EUR at the exchange rates prevailing at the balance sheet date. Income and expenses denominated in foreign currencies are converted into EUR at the exchange rates prevailing on the transaction date. Both unrealised and realised foreign exchange differences are recognised in the profit and loss account.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Derivatives financial instruments

From a financial point of view all derivatives are entered into for hedging purposes; derivatives that do not apply for hedge accounting treatment have always a hedge rational. In particular during 2011 part of the IRS covering outstanding bonds have been unwound via new off-setting IRS ("mirror swaps"). In those cases both of them have been subsequently classified as trading derivatives.

Forward foreign exchange contracts

All forward foreign exchange contracts are accounted for as notional loans and deposits in the off balance sheet accounts. The Mark-to-Market on these notional loans and deposits is accrued in the balance sheet as accrued income or accrued expenses and included in the profit and loss account on a net basis.

Swaps

Swaps comprise interest rate swaps and currency swaps which are stated at their notional values at the balance sheet date in the off balance sheet accounts.

The notional values serve as a reference for determining the interest streams. The interest streams receivable and payable are recognised in the profit and loss account on an accruals basis.

The notional amounts denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the balance sheet date. Translation differences are recorded on the balance sheet as accrued income or other creditors or liabilities and are included in the profit and loss account.

Forward rate agreements (FRA's)

FRA contracts are stated at their notional values at the balance sheet date in the off balance sheet accounts.

The interest income and expense on settled FRA contracts are deferred and recognised net in the profit and loss account on an accruals basis, under the item net result on off-balance sheet items.

The notional amounts denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the balance sheet date.

Tangible and intangible assets

Tangible and intangible assets are stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line basis to reduce the carrying value over its useful economic life.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Non convertible loans

Bonds are disclosed at their repayment value. Costs associated with issuing debt (such as, for example, fees and commissions paid to banks, law firms, auditors and regulators) are capitalised and reflected in the balance sheet as an asset, and amortised over the remaining life of the underlying debt instrument. The unamortised amounts are included in deferred charges.

Titres de créances négociables (TCNs programme)

Starting on 12 December 2005 the Company relieved Fiat France S.A. in the TCNs Programme with a maximum aggregate nominal amount of EUR 1 billion totally guaranteed by Fiat S.p.A..

Societe Generale S.A., with registered office at 29 boulevard Haussmann in Paris, is appointed as issuing and paying agent, without exclusion of other financial institution authorised by Banque de France.

The interest payable is recognised in the income statement on an accrual interest basis.

Debtors

Debtor balances are recorded at nominal amount. Value adjustments, if any, are made for any permanent impairment in value.

Other assets and liabilities

Unless otherwise stated, all other assets and liabilities are stated at their nominal values.

Investments

Other investments are composed of liquidity funds. Rated AAAm by S&P and/or AAA by Moody's these funds invest in short term high quality money market instruments. The product offers same value day liquidity and an attractive yield compared with time deposits.

Cash and cash equivalents

Cash and cash equivalents comprise amounts due from banks with an original average maturity up to 3 months.

Income recognition

Income and expenses are recognised when earned or incurred on an accruals basis.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 1 - INTANGIBLE ASSETS

| | 31 December 2011 | Additions of the year | Amortization of the year | Reductions and other changes of the year | 31 December 2012 |
|------------------------|---------------------|--------------------------|-----------------------------|--|---------------------|
| Gross carrying amount | 495,639 | 344,996 | - | (383,701) | 456,934 |
| Cumulated amortization | (474,507) | - | (44,345) | 383,701 | (135,151) |
| Net carrying amount | 21,132 | 344,996 | (44,345) | - | 321,783 |

| | 1 January 2011 | Additions of the year | Amortization of the year | Reductions and other changes of the year | 31 December 2011 |
|--------------------------|-------------------|--------------------------|-----------------------------|--|---------------------|
| Gross carrying amount | 1,003,505 | - | - | (507,866) | 495,639 |
| Accumulated amortization | (924,165) | - | (58,208) | 507,866 | (474,507) |
| Net carrying amount | 79,340 | - | (58,208) | - | 21,132 |

NOTE 2 - TANGIBLE ASSETS

| | 31 December 2011 | Additions of the year | Amortization of the year | Reductions and other changes of the year | 31 December 2012 |
|--------------------------|---------------------|--------------------------|-----------------------------|--|---------------------|
| Gross carrying amount | 319,911 | 71,494 | - | (34,580) | 356,825 |
| Accumulated amortization | (152,233) | - | (63,772) | 21,132 | (194,872) |
| Net carrying amount | 167,678 | 71,494 | (63,772) | (13,448) | 161,953 |

| | 1 January 2011 | Additions of the year | Amortization of the year | Reductions and other changes of the year | 31 December 2011 |
|--------------------------|-------------------|--------------------------|-----------------------------|--|---------------------|
| Gross carrying amount | 832,241 | 155,179 | - | (667,509) | 319,911 |
| Accumulated amortization | (756,282) | - | (63,461) | 667,509 | (152,233) |
| Net carrying amount | 75,960 | 155,179 | (63,461) | - | 167,678 |

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 3 - FINANCIAL ASSETS

On December 15th, 2011 in order to concentrate on one single entity the participations of the treasury companies operating in North America, the Company bought from Fiat Finance S.p.A. and Fiat S.p.A. their participations in Fiat Finance North America Inc. and from Fiat Finance S.p.A. the participation in Fiat Finance Canada Ltd..

| Fully-controlled subsidiaries | Carrying amount | % of share capital | % voting shares | Registered office | Result for latest financial year* | Net asset value* | Listed (Yes/No) |
|---------------------------------|--------------------|--------------------|-----------------|-------------------|-----------------------------------|--------------------|-----------------|
| FIAT FINANCE CANADA LTD. | 15,830,469 | 100.00% | 100.00% | Calgary (Canada) | 80,128 | 16,389,829 | No |
| FIAT FINANCE NORTH AMERICA INC. | 149,413,940 | 100.00% | 100.00% | Wilmington (USA) | 872,413 | 152,393,577 | No |
| Total | 165,244,409 | | | | 952,541 | 168,783,406 | |

* Based on audited statutory Financial Statements as of 31 December 2012, amounts converted into EUR at the exchange rates prevailing at the balance sheet date.

Purchase Price for Fiat Finance Canada Ltd.

The Purchase Price consisted of an aggregate amount in cash equal to the value of the Canadian Shares presently sold as determined on the basis of the Company's estimated Net Asset Value as at December 31, 2011 as shown in the table below, converted in Euro at the ECB fixing of December 13th, 2011.

| | | |
|-------------------------|------------|-------------------|
| Capital Stock | CAD | 10,099,885 |
| Reserve | CAD | 11,300,574 |
| (Forecasted) Net income | CAD | 15,000 |
| Net Asset Value | CAD | 21,415,459 |
| BCE Fixing | @ | 1.3528 |
| Net Asset Value | EUR | 15,830,469 |

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Purchase Price for Fiat Finance North America Inc.

The Purchase Price consisted of the aggregate amount in cash equal to the value of the US Shares presently sold as determined on the basis of the Company's estimated Net Asset Value as at December 31, 2011 as shown in the table below, converted in Euro at the ECB fixing of December 13th, 2011.

| | | |
|-------------------------|------------|--------------------|
| Capital Stock | USD | 190,090,010 |
| Reserve | USD | 16,092,293 |
| Cash flow hedge | USD | (9,539,789) |
| (Forecasted) Net income | USD | 300,000 |
| Net Asset Value | USD | 196.942,514 |
| BCE Fixing | @ | 1.3181 |
| Net Asset Value | EUR | 149,413,940 |

NOTE 4 - AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

| | 31.12.2012 EUR | 31.12.2011 EUR |
|-------------------------------------|----------------------|----------------------|
| Current accounts | | |
| <i>Nominal</i> | 7,626,578,925 | 7,092,023,642 |
| <i>Accrued interest</i> | 1,506,953 | 1,118,456 |
| Receivable, short term portion | | |
| <i>Nominal</i> | 319,899,175 | 294,136,283 |
| <i>Accrued interest</i> | 2,106,921 | 3,711,143 |
| Total receivable short term portion | <u>7,950,091,974</u> | <u>7,930,989,524</u> |

All transactions with affiliated undertakings have been concluded at market conditions and relate to treasury services provided to the Group subsidiaries as per the Company by-laws.

NOTE 5 – OTHER INVESTMENTS

| | 31.12.2012 EUR | 31.12.2011 EUR |
|-------------------------|--------------------|--------------------|
| Liquidity funds | | |
| <i>Nominal</i> | 539,650,410 | 609,840,000 |
| <i>Accrued interest</i> | 45,410 | 61,991 |
| | <u>539,695,820</u> | <u>609,901,991</u> |

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 6 - CASH AT BANK AND IN HAND

| | 31.12.2012 EUR | 31.12.2011 EUR |
|-------------------------|----------------------|----------------------|
| Bank current accounts | | |
| <i>Nominal</i> | 1,057,522,278 | 463,297,456 |
| <i>Accrued interest</i> | 249,732 | 1,502,397 |
| Short term deposits | | |
| <i>Nominal</i> | 1,255,688,887 | 1,955,118,025 |
| <i>Accrued interest</i> | 88,316 | 466,235 |
| | <u>2,313,549,213</u> | <u>2,420,384,113</u> |

NOTE 7 - PREPAYMENTS

| | 31.12.2012 EUR | 31.12.2011 EUR |
|---|--------------------|--------------------|
| Accrued income | | |
| <i>Unrealized gain on forward foreign exchange contracts</i> | 3,027,631 | 12,710,049 |
| <i>Accrued interest on interest rate swaps</i> | 26,604,139 | 76,942,877 |
| <i>Accrued interest and exchange difference on interest rate and cross currency swaps</i> | <u>7,365,838</u> | <u>-</u> |
| | 36,997,608 | 89,652,926 |
| Deferred charges | | |
| <i>Deferred expenses on issued bonds and credit lines</i> | 72,772,700 | 78,211,993 |
| <i>Prepaid expenses</i> | <u>195,551</u> | <u>299,262</u> |
| | 72,968,251 | 78,511,255 |
| | <u>109,965,859</u> | <u>168,164,181</u> |

Deferred expenses are related to the non-amortised costs directly associated with the issuance of bonds and bank credit lines. For detail of the costs amortised during the year, please refer to NOTE 16.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011
(Expressed in EUR, unless otherwise stated) (continued)

NOTE 8 - SHAREHOLDERS' EQUITY

The movements of shareholder's equity are summarised as follows (amounts expressed in EUR thousands):

| | Subscribed Capital | Legal Reserve | Other Reserves | Retained Earnings | Result for the year | TOTAL SHAREHOLDERS' EQUITY |
|---------------------------------|-----------------------|------------------|-------------------|----------------------|------------------------|----------------------------------|
| Balance at 01.01.2011 | 251,494 | 13,139 | 206 | 19,049 | 1,737 | 285,625 |
| Allocation to retained earnings | - | - | - | 1,737 | (1,737) | - |
| Allocation to legal reserve | - | 87 | - | (87) | - | - |
| Allocation to other reserves | - | - | 47 | (47) | - | - |
| Result for the financial year | - | - | - | - | 1,851 | 1,851 |
| Balance at 31.12.2011 | 251,494 | 13,226 | 253 | 20,652 | 1,851 | 287,476 |
| Allocation to retained earnings | - | - | - | 1,851 | (1,851) | - |
| Allocation to legal reserve | - | 93 | - | (93) | - | - |
| Allocation to other reserves | - | - | 62 | (62) | - | - |
| Result for the financial year | - | - | - | - | 1,217 | 1,217 |
| Balance at 31.12.2012 | 251,494 | 13,319 | 315 | 22,348 | 1,217 | 288,693 |

Subscribed capital

The share capital of the Company amounts to EUR 251,494,000 represented by 13,416 shares fully subscribed and paid up with no nominal value.

Legal reserve

Under Luxembourg Law the Company must appropriate to a legal reserve a minimum of 5% of the annual net profit until such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution.

Other reserves

In accordance with the provisions of the Luxembourg tax law, the Company opted for the reduction of the net worth tax by posting an amount equivalent to five times the net worth tax due to "Other Reserves". This reserve is to be maintained for a period of five years following the year in which the net worth tax was reduced.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 9 - PROVISIONS FOR TAXATION

The company is subject to all taxes applicable to commercial companies in Luxembourg.

NOTE 10 - NON CONVERTIBLE LOANS

The Company issues long term debt securities at mainly fixed interest rates. The bonds and notes are unconditionally and irrevocably guaranteed by the ultimate parent company Fiat S.p.A..

| | Currency | 31.12.2012 EUR | 31.12.2011 EUR |
|--|-------------|----------------------|----------------------|
| <i>EUR</i> | | - | 1,450,000,000 |
| <i>EUR</i> - Billet de trésorerie (TCNs) due within one year | | - | 39,300,983 |
| <i>EUR</i> - accrual bonds and TCNs | | - | 287,098,371 |
| Repayable in year 2012 | | - | 1,776,399,354 |
| <i>EUR</i> | | 1,000,000,000 | 1,000,000,000 |
| <i>EUR</i> - Billet de trésorerie (TCNs) due within one year | | 16,970,344 | - |
| <i>EUR</i> - accrual bonds and TCNs | | 301,661,803 | - |
| <i>CHF</i> - accrual bonds | 8,828,472 | 7,313,181 | - |
| Repayable in year 2013 | | 1,325,945,328 | 1,000,000,000 |
| <i>EUR</i> | | 2,150,000,000 | 2,150,000,000 |
| Repayable in year 2014 | | 2,150,000,000 | 2,150,000,000 |
| <i>EUR</i> | | 1,500,000,000 | 1,500,000,000 |
| <i>CHF</i> | 425,000,000 | 352,054,341 | - |
| Repayable in year 2015 | | 1,852,054,341 | 1,500,000,000 |
| <i>EUR</i> | | 2,000,000,000 | 1,000,000,000 |
| <i>CHF</i> | 400,000,000 | 331,345,261 | - |
| Repayable in year 2016 | | 2,331,345,261 | 1,000,000,000 |
| <i>EUR</i> | | 850,000,000 | - |
| Repayable in year 2017 | | 850,000,000 | - |
| <i>EUR</i> | | 600,000,000 | 600,000,000 |
| Repayable in year 2018 | | 600,000,000 | 600,000,000 |
| <i>EUR</i> | | 7,000,000 | 7,000,000 |
| Repayable in year 2021 | | 7,000,000 | 7,000,000 |
| Total repayable after more than one year | | 7,790,399,602 | 6,257,000,000 |

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Most of the outstanding bonds and notes have been issued under a Global Medium Term Note Programme (GMTN) which increased from EUR 3 billion to EUR 6 billion on 21 February 2000, to EUR 10 billion on 27 July 2000 and to EUR 15 billion on 18 May 2001. Fiat Finance Canada Ltd. and Fiat Finance North America Inc. have been added to the Programme as additional issuers. In 2006 the company issued one bond of EUR 1 billion repayable in 2013 outside the GMTN Programme.

TCNs Programme is, with a maximum aggregate nominal amount of EUR 1 billion, still in place and totally guaranteed by Fiat S.p.A..

NOTE 11 - AMOUNTS OWED TO CREDIT INSTITUTIONS

| | 31.12.2012 EUR | 31.12.2011 EUR |
|-------------------------|--------------------|--------------------|
| Bank current accounts | - | 633,943 |
| Short term borrowings | | |
| <i>Nominal</i> | 75,000,000 | 135,000,000 |
| <i>Accrued interest</i> | 12,894 | 34,970 |
| Long term borrowings | 40,000,000 | - |
| | <u>115,012,894</u> | <u>135,668,913</u> |

Short term borrowings relate to draw downs of medium term committed credit lines, long term borrowings relates to term loans expiring after more than one year.

NOTE 12 - AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

| | 31.12.2012 EUR | 31.12.2011 EUR |
|-------------------------|----------------------|----------------------|
| Current accounts | | |
| <i>Nominal</i> | 684,476,782 | 724,183,899 |
| <i>Accrued interest</i> | 596,103 | 992,676 |
| Short term borrowings | | |
| <i>Nominal</i> | 844,693,414 | 1,550,401,804 |
| <i>Accrued interest</i> | 380,000 | 2,722,063 |
| | <u>1,530,146,299</u> | <u>2,278,300,442</u> |

All transactions with affiliated undertakings have been concluded at market conditions and relate to treasury services provided to the Group subsidiaries as per the Company by-laws.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 13 - DEFERRED INCOME

| | 31.12.2012 EUR | 31.12.2011 EUR |
|---|-------------------|-------------------|
| Accrued expenses | | |
| <i>Unrealized loss on forward foreign exchange contracts</i> | 376,248 | 1,973,856 |
| <i>Accrued interest on interest rate swaps</i> | 15,425,143 | 4,104,056 |
| <i>Accrued interest and difference exchange on cross currency swaps</i> | 2,506,436 | - |
| <i>Other</i> | 4,639,946 | 3,177,001 |
| | <u>22,947,773</u> | <u>9,254,913</u> |
| Other deferred income | 5,823,758 | 10,470,589 |
| | <u>28,771,531</u> | <u>19,725,502</u> |

Other deferred income refers to the future remaining portion of the income achieved with the unwinding of some hedging instruments; this income is amortized over the residual life of the previously hedged financial instruments. The premiums on bonds issued in November 2012 are amortized over the residual life of bonds.

NOTE 14 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Treasury activity

As required by the Group's financial risk management policy, the Company regularly assesses and manages its exposure to financial risks. The Group's risk management programs do not use complex or leveraged instruments and future contracts do not form part of the programs. Accordingly, management believe that these risks are managed in a conservative and prudent manner as follows:

Investment activity

The Company's treasury activity comprises investing surplus liquidity received either from other Group companies or from the market through debt instruments.

All investments entered into by the Company are made according to a conservative investment policy, with the objective of effectively managing the financial risks incurred by the Company.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Foreign currency risk

Exposure to foreign currency risk arises mainly due to the geographical diversity of the Group's activities and Group companies to which cash management and other treasury services are provided.

The Company seeks to minimise this exposure mainly by the use of forward foreign exchange contracts and currency swaps.

Interest rate risk

Exposure to interest rate risk arises mainly due to the different maturities and interest rate structures of assets and liabilities.

The Company seeks to remove any undesired exposure mainly by the use of interest rate swaps and forward rate agreements.

Credit risk

Exposure to third party credit risk is managed by the establishment and monitoring of counter-party limits which are largely functions of the counter-party rating. Financial instruments are distributed among financial institutions, which have a high credit rating.

Liquidity risk

Liquidity risk arises if the Company is unable to obtain, at economical terms, the funding needed to carry out its operating activities.

It is the Company's policy to maintain liquidity in demand or short-term deposits and negotiable money market instruments, dividing such investments over an appropriate number of counterparties, primarily banking institutions, with the principal purpose of having ready availability to those investments. Counterparties are selected according their creditworthiness, reliability and the quality of service provided.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

Notional amounts of off balance sheet financial instruments and derivatives are presented below:

(Amounts expressed in EUR thousands)

| | 31.12.2012 EUR | 31.12.2011 EUR |
|------------------------------------|-------------------|-------------------|
| Forward foreign exchange contracts | 399,424 | 740,742 |
| Interest rate swaps | 3,614,000 | 6,425,980 |
| Cross currency swaps | 683,400 | - |
| Forward rate agreements | 40,000 | - |
| | <u>4,736,824</u> | <u>7,166,722</u> |

Fair value of off balance sheet financial instruments and derivatives as at 31 December 2012 (in EUR million)

| | Nominal value | Carrying value | Fair value | Difference |
|------------------------------------|------------------|-------------------|---------------|-------------|
| Forward foreign exchange contracts | 399.4 | 2.7 | 2.7 | - |
| Interest rate swaps | 3,614.0 | 11.2 | 55.1 | 43.9 |
| Cross currency swaps | 683.4 | 5.5 | (1.9) | (7.4) |
| Forward rate agreements | 40.0 | - | - | - |
| | <u>4,736.8</u> | <u>19.4</u> | <u>55.9</u> | <u>36.5</u> |

The above fair values have been determined by reference to available market information and the following methodologies:

| <u>Financial instrument</u> | <u>Fair value method</u> |
|---|---|
| Forward foreign exchange contracts | Forward exchange rate estimated on the basis of the forward exchange and interest rates at year end |
| Interest rate swaps and forward start swaps | Discounted cash flow of expected interest streams |
| Forward rate agreements | Discounted cash flow of expected interest differential |

Due to management judgement required in interpreting market information, the estimates presented above may approximate the amounts that the Company could realise in a current market transaction.

In applying discounted cash flow techniques, a discount rate commensurate with market conditions at 31 December 2012, the relevant currency and the risk of the underlying instrument was used.

In all cases, fair values were translated into EUR using the exchange rates ruling at the balance sheet date.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 15 - OTHER OPERATING CHARGES

| | 31.12.2012 EUR | 31.12.2011 EUR |
|---|-------------------|-------------------|
| Rental and additional charges | 390,836 | 250,466 |
| Services acquired | 826,233 | 1,241,475 |
| Audit fees | 82,307 | 100,000 |
| IT maintenance, legal and consulting fees | 409,208 | 483,246 |
| | <u>1,708,584</u> | <u>2,075,187</u> |

NOTE 16 - INTEREST PAYABLE AND SIMILAR CHARGES

| | 31.12.2012 EUR | 31.12.2011 EUR |
|--|--------------------|--------------------|
| Concerning affiliated undertaking | | |
| <i>Interest payable (NOTE 12)</i> | 38,041,229 | 55,552,640 |
| <i>Foreign exchange loss (gain)</i> | - | 34,266,006 |
| | <u>38,041,229</u> | <u>89,818,646</u> |
| Other interest payable and similar charges | | |
| <i>Banks (NOTE 11)</i> | 1,712,262 | 10,093,660 |
| <i>Bonds (NOTE 10)</i> | 592,098,831 | 574,560,953 |
| <i>Amortized commissions on credit lines (NOTE 7)</i> | 31,645,316 | 25,667,621 |
| <i>Amortized commissions on bond issues (NOTE 7)</i> | 23,001,844 | 21,735,190 |
| <i>Bonds' guarantee costs and other fees and commissions</i> | 2,758,685 | 2,915,500 |
| <i>Foreign exchange loss (gain)</i> | - | (3,523,920) |
| | <u>651,216,938</u> | <u>631,449,004</u> |
| | <u>689,258,167</u> | <u>721,267,650</u> |

Foreign exchange result is compensated by valuation gains realized on foreign exchange derivatives and by items included in the interest payable and receivable. Therefore the impact on revaluation of foreign currency financial assets and liabilities and the impact on revaluation of outstanding exchange currency derivatives represent an economic hedge.

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 17 - INCOME FROM FINANCIAL CURRENT ASSETS

| | 31.12.2012 EUR | 31.12.2011 EUR |
|-------------------------------------|--------------------|--------------------|
| Concerning affiliated undertakings | | |
| <i>Interest receivable (NOTE 4)</i> | 647,232,868 | 626,805,836 |
| <i>Foreign exchange gain (loss)</i> | <u>1,263,982</u> | <u>-</u> |
| | 648,496,850 | 626,805,836 |
| Other income | | |
| <i>Banks (NOTE 6)</i> | 12,640,570 | 16,345,883 |
| <i>Other investments (NOTE 5)</i> | 780,590 | 7,489,190 |
| <i>Foreign exchange gain (loss)</i> | <u>2,789,449</u> | <u>-</u> |
| | 16,210,609 | 23,835,073 |
| | <u>664,707,459</u> | <u>650,640,909</u> |

For the year ended 31 December 2012, income from other investments is composed of interest on Liquidity Funds.

NOTE 18 - OTHER INTERESTS AND OTHER FINANCIAL INCOME

| | 31.12.2012 EUR | 31.12.2011 EUR |
|---|-------------------|-------------------|
| Net result on off-balance sheet items (NOTE 14) | | |
| <i>Forward foreign exchange contracts</i> | | |
| (NOTES 7 AND 13) | (8,084,810) | 25,827,671 |
| <i>Interest rate swaps (NOTES 7 AND 13)</i> | 28,915,438 | 48,433,804 |
| <i>Cross currency swaps (NOTES 7 AND 13)</i> | (2,905,962) | - |
| <i>Forward rate agreements (NOTE 14)</i> | <u>9,244</u> | <u>(30,121)</u> |
| | 17,933,910 | 74,231,354 |
| Other financial income | | |
| <i>Income from affiliated undertakings</i> | 589,135 | 1,087,839 |
| <i>Premiums on bonds</i> | 10,649,927 | 1,515,545 |
| <i>Other (NOTES 7 AND 13)</i> | <u>12,010</u> | <u>31,187</u> |
| | 11,251,072 | 2,634,571 |
| | <u>29,184,982</u> | <u>76,865,925</u> |

FIAT FINANCE AND TRADE LTD S.A.

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEARS ENDED 31 DECEMBER 2012 AND 31 DECEMBER 2011

(Expressed in EUR, unless otherwise stated) (continued)

NOTE 19 - COMMITMENTS AND CONTINGENCIES

As of 31 December 2012, the Company has issued guarantees in favour of Group Companies for a total amount of EUR 10,772,314 to different banks.

NOTE 20 - CONSOLIDATION

The Company's accounts are included in the consolidated accounts of Fiat S.p.A., whose registered office is located in Italy (Turin) and are prepared in accordance with International Financial Reporting Standards (IFRS).

A copy of the mentioned consolidated financial statements is available on the internet web site of Fiat S.p.A..

Starting 31 December 2011, the Company prepares consolidated financial statements in Luxembourg in accordance with International Financial Reporting Standards (IFRS).

NOTE 21 – SUBSEQUENT EVENTS

There have been no events subsequent to the balance sheet date which require adjustment of or disclosure in the annual accounts or Notes.